

**REMARKS**

At the time of the Final Office Action dated October 20, 2005, claims 1-8 were pending and rejected in this application.

**CLAIMS 1-8 ARE REJECTED UNDER 35 U.S.C. § 102 AS BEING ANTICIPATED BY**

**SANDBERG-DIMENT, U.S. PATENT NO. 5,826,245 (HEREINAFTER SANDBERG)**

At the outset, Applicants note that the Examiner's citation of Sandberg to identically disclose the claimed invention within the meaning of 35 U.S.C. § 102 is fundamentally flawed. The claimed invention is directed to performing trust negotiations between two parties: a first (sever) party and second (client) party. In contrast, Sandberg teaches interactions between three parties: a remote terminal 12 (i.e., customer), a merchant 16, and a verification agent 20.

As recited in claims 1, 7, and 8:

one party adopts an eager strategy, according to which all sensitive credentials are transmitted to the other party (emphasis added)

Based upon this claimed language, one party transmits (and the other party receives) all sensitive credentials.

However, referring to column 2, lines 34-40, Sandberg states:

in connection with a purchase transaction, the credit card number may be split into two pieces. Only one piece 41 is sent to the merchant 16, and the other 45 is sent to the verification agent 20. An identification tag 43 is attached to each piece to permit later identification and reassembly of the credit card number by the verification agent 20. After the merchant 16 has received the consumer's order, the card expiration date, the tagged piece of the credit card number, and the

price of the order are sent to the verification agent 20 via the Internet 40. The verification agent 20 combines the tagged pieces of the credit card number to reconstruct the number, checks the consumer's credit, and issues an approval code 36 to the merchant 16. In this process, only the customer and the verification agent 20 ever have possession of the complete credit card number.

As evident from this teaching, the merchant 16 does not identically disclose either the claimed first party or the second party since the merchant 16 never receives (i.e., "transmitted to the other party) nor transmits the complete credit card number since only "the customer and the verification agent 20 ever have possession of the complete credit card number."

Moreover, the verification agent 20 does not transmit the complete credit card number to either the customer or the merchant 16, and the verification agent 20 does not receive the complete credit card number from either the merchant 16 or customer. Therefore, the verification agent 20 does not identically disclose either the claimed first party or the second party.

Still further, the customer does not transmit (or receive) the entire credit card number to another party. Instead, the customer splits the credit card number into two pieces and sends one piece 41 to the merchant 16 and the other piece 45 is sent to the verification agent 20. Therefore, the customer also does not identically disclose either the claimed first party or the second party.

Thus, based upon a reading of only of the above-identified claim language (i.e., "one party adopts an eager strategy, according to which all sensitive credentials are transmitted to the other party), none of the three parties disclosed by Sandberg identically discloses either the claimed first party or the claimed second party.

The Examiner's reliance on column 1, lines 5-30 of Sandberg (page 7 of the Final Office Action) to teach the "eager strategy" is inappropriate when used in combination with the remainder of Sandberg. Column 1, lines 5-30 is directed to what Sandberg considers to be "Prior Art." Sandberg then proceeds to describe the deficiencies of the Prior Art and Sandberg's alleged invention. The Examiner, however, cannot properly combine these different teachings without establishing a *prima facie* case of obviousness within the meaning of 35 U.S.C. 103.

The logic behind this prohibition is illustrated using an example in which every abstract (or summary) for every issued patent (all 6 million +) were cited as background art in a single patent publication. If an Examiner was free to combine any number of these abstracts in a rejection under 35 U.S.C. 102 solely because the teachings were found in a "single" reference, then there would rarely ever be a need for a rejection under 35 U.S.C. 103. The patent law does not allow for such an absurdity to occur. Thus, the Examiner is not free to combine teachings from different sources without establishing a motivation to do so, even if these different teachings were found in a single reference.

The Examiner's stated the following in the first full paragraph on page 7:

The Applicant's claim 1 claim language and Applicant's remarks on page 11 in the last paragraph, the claimed language as provided by the Applicant does not indicate that all of the sensitive information must be shared amongst two parties. The language calls for "at least one" of the sensitive pieces to be shared.

The Examiner has clearly misread claim 1, which as already noted recites the following limitation:

one party adopts an eager strategy, according to which all sensitive credentials are transmitted to the other party (emphasis added)

Therefore, the Examiner's analysis is based upon an faulty interpretation of claim 1.

The Examiner's interpretation of the claimed "parsimonious strategy" is also faulty (see paragraph spanning pages 7 and 8 of the Final Office Action. As recited in the claims:

one party adopts a parsimonious strategy, according to which only selective sensitive credentials are transmitted to the other party ... that are specifically necessary in order to complete said transaction.

According to the claimed parsimonious strategy, selective sensitive credentials are transmitted to the other party and these sensitive credentials are necessary in order to complete the transaction. There is, however, no teaching within Sandberg of this limitation and the Examiner's analysis completely ignores this limitation.

The factual determination of anticipation under 35 U.S.C. § 102 requires the identical disclosure, either explicitly or inherently, of each element of a claimed invention in a single reference.<sup>1</sup> With regard to the claimed "eager strategy" and "parsimonious strategy," Applicants note that the Examiner is trying to assert certain features within Sandberg identically disclose these claimed limitations. However, these features are not described by Sandberg as either an eager strategy or parsimonious strategy,. Therefore, Sandberg fails to explicitly disclose the claimed limitations.

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<sup>1</sup> In re Rijckaert, 9 F.3d 1531, 28 USPQ2d 1955 (Fed. Cir. 1993); Lindermann Maschinenfabrik GMBH v. American Hoist & Derrick Co., 730 F.2d 1452, 221 USPQ 481 (Fed. Cir. 1984).

Thus, the Examiner must be relying on the doctrine on inherency to teach the claimed eager strategy and parsimonious strategy. However, the Examiner's reliance upon the doctrine of inherency to disclose these claimed limitations. Inherency may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient to establish inherency.<sup>2</sup> To establish inherency, the extrinsic evidence must make clear that the missing element must necessarily be present in the thing described in the reference, and that the necessity of the feature's presence would be so recognized by persons of ordinary skill.<sup>3</sup> Furthermore, reference is made to ex parte Schricker,<sup>4</sup> in which the Honorable Board of Patent Appeals and Interferences stated the following:

However, when an examiner relies on inherency, it is incumbent on the examiner to point to the "page and line" of the prior art which justifies an inherency theory. Compare, In re Rijckaert, 9 F.3d 1531, 1533, 28 USPQ2d 1955, 1957 (Fed. Cir. 1993) (when the PTO asserts that there is an explicit or implicit teaching or suggestion in the prior art, it must indicate where such a teaching or suggestion appears in the prior art); In re Yates, 663 F.2d 1054, 107, 211 USPQ 1149, 1151 (CCPA 1981).

The Examiner did not discharge that burden of indicating where the teaching of one party employing a parsimonious strategy and another party employing eager strategy, given the ordinary meaning of these terms, appears in the prior art. Thus, the Examiner has not established that this limitation is inherently disclosed by Sandberg. In this regard, the Examiner is also referred to M.P.E.P. § 2112, entitled "Requirements of Rejection Based on Inherency; Burden of Proof."

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<sup>2</sup> In re Rijckaert, 9 F.3d 1531, 1534, 28 USPQ2d 1955, 1957 (Fed. Cir. 1993) (reversed rejection because inherency was based on what would result due to optimization of conditions, not what was necessarily present in the prior art); In re Oelrich, 666 F.2d 578, 581-82, 212 USPQ 323, 326 (CCPA 1981).

<sup>3</sup> Finnegan Corp. v. ITC, 180 F.3d 1354, 51 USPQ2d 1001 (Fed. Cir. 1999); In re Robertson, 169 F.3d 743, 745, 49 USPQ2d 1949, 1950-51 (Fed. Cir. 1999); Continental Can Co. USA v. Monsanto Co., 20 USPQ 2d 1746 (Fed. Cir. 1991); Ex parte Levy, 17 USPQ2d 1461 (BPAI 1990).

<sup>4</sup> 56 USPQ2d 1723, 1725 (BPAI 2000).

Therefore, for the reasons stated above, Applicants respectfully submit that the imposed rejection of claims 1-8 under 35 U.S.C. § 102 for anticipation based upon Sandberg is not factually viable and, hence, solicit withdrawal thereof.

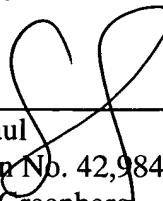
Although Applicants believe that all claims are in condition for allowance, the Examiner is directed to the following statement found in M.P.E.P. § 706(II):

When an application discloses patentable subject matter and it is apparent from the claims and the applicant's arguments that the claims are intended to be directed to such patentable subject matter, but the claims in their present form cannot be allowed because of defects in form or omission of a limitation, the examiner should not stop with a bare objection or rejection of the claims. The examiner's action should be constructive in nature and when possible should offer a definite suggestion for correction.

To the extent necessary, a petition for an extension of time under 37 C.F.R. § 1.136 is hereby made. Please charge any shortage in fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account 09-0461, and please credit any excess fees to such deposit account.

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Respectfully submitted,

  
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